

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

| |
|---------------------------------------------|
| 5. Lease Serial No. |
| NMNM-76867 |
| 6. If Indian, Allottee or Tribe Name |
| |
| 7. If Unit or CA/Agreement, Name and/or No. |
| |
| 8. Well Name and No. |
| South Bisti F #1 |
| 9. API Well No. |
| 30-045-31042 |
| 10. Field and Pool, or Exploratory Area |
| Bisti Lower Gallup |
| 11. County or Parish, State |
| San Juan County, NM |

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | |
| 2. Name of Operator Elm Ridge Resources, Inc. | |
| 3a. Address PO Box 156, Bloomfield, NM 87413 | 3b. Phone No. (include area code) 505-632-3476 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2195 FNL X 2107 FWL Sec.32-T26N-R13W | |

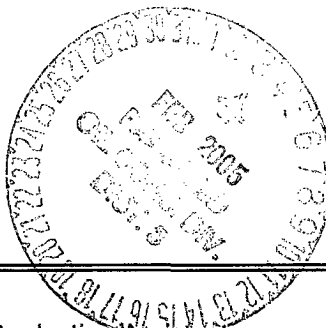
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> EXTENSION |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Elm Ridge Resources, Inc. requests a 6 month extension on the APD for the above referenced well. Due to rig availability our drilling proposals are several months behind. Elm Ridge plans to drill this well by the end of the 1st quarter in 2005.

-This approval expires: MAR 11 2006



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| 14. I hereby certify that the foregoing is true and correct | |
| Name (Printed/Typed) Amy Mackey | Title Production Assistant |
| Signature <i>Amy Mackey</i> | Date January 26, 2005 |
| THIS SPACE FOR FEDERAL OR STATE USE | |
| Approved by <i>[Signature]</i> | Title Pet. Eng |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office PFO |
| Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. | |

(Instructions on reverse)

NMOC